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SUBJECT: MUCH AT STAKE FOR SPD IN NORTHERN GERMANY

REF: A. A) HAMBURG 065

[1](#)B. B) BERLIN 1

HAMBURG 00000067 001.2 OF 002

[1](#)1. (SBU) SUMMARY: Germany's Social Democratic Party (SPD) celebrated its return to traditional party values and strengthened its forces during its national convention October 26-28 in Hamburg. Privately, however, SPD members have noted to Poloffs that the real test for party chairman Kurt Beck as well as the for party's standing will be the 2008 local elections in Hamburg, Lower Saxony and Hessen (Ref B). The SPD faces a difficult challenge in Hamburg and Lower Saxony. Its success in Hamburg may depend on The Left party's performance, since votes won by The Left probably will come mostly at the expense of the SPD (Ref A). END SUMMARY.

[1](#)2. (SBU) For the first time in thirty years the SPD held its national party convention in Hamburg, auspicious in that both Hamburg and neighboring state Lower Saxony will be holding key state elections on February 24 and January 27, 2008 respectively. Further, both states are traditional SPD strongholds but currently under Christian Democratic (CDU) leadership. The SPD continues to trail the CDU in polls in both states. SPD mayoral candidate for Hamburg Michael Naumann opened the convention with an appeal for Hamburg to return to the SPD fold. He and Lower Saxony SPD candidate for Minister-President Wolfgang Juettner sat front-center of the presidium throughout the convention well in view of TV cameras. Beck as well as other prominent speakers continuously expressed their support for the SPD candidates. These three upcoming state elections are critical for the SPD in that they will serve collectively as a weather vane, gauging the political winds two years before national parliamentary elections.

CDU: THE LEFT PARTY WILL DETERMINE COALITION OPTIONS IN HAMBURG

[1](#)3. (SBU) SPD convention speakers aimed to paint a critical picture of Hamburg's economy in order to support the need for a change in government. In his convention speech, Naumann described long lines in front of Hamburg soup kitchens, long-term unemployment, and high debt. He called for social reform, a minimum wage, and, of course, a change in local government. Yet, this message may not resonate with Hamburg residents; sitting CDU mayor Ole von Beust enjoys high approval ratings and in the September Infratest-Dimap polls for Hamburg, 62 percent of the population thought the city is moving in the right direction. According to October data, unemployment is down 15 percent compared to last year and the city is one of the leading states in Germany for job creation. Finance Senator Michael Freytag (CDU) and von Beust announced on October 31 the city's plans to pay off its first one million Euros in old debt and maintain a balanced budget.

13. (SBU) SPD politicians, however, are optimistic. In conversations following the national convention, local and national SPD politicians have asserted that the party is significantly stronger coming out of the convention. At a dinner on November 5, Hamburg state parliamentarian Aydan Vzoguz commented that SPD members are energized and morale is up. She believes that this will motivate volunteers and voters. In a November 1 meeting at the consulate, Hamburg Bundestag representative, member of the SPD national board of directors, and parliamentary whip Olaf Scholz expressed confidence that the convention strengthened the SPD and predicted that his party will be able to build a ruling coalition in Hamburg. He said that the party will only need 36 percent of the vote in order to form a coalition with the Greens. In the September Infratest-Dimap polls for Hamburg, the SPD was at 32 percent - 10 percent behind the CDU.

14. (SBU) The CDU maintains that its lead over the SPD will hold. In a meeting with the CG and Pol/Econ Officer on November 9, CDU caucus leader in the Hamburg parliament Bernd Reinert was confident that his party would continue to govern the city. According to Reinert the CDU has regularly polled over 40 percent and may be able to pull enough votes to form a government on its own. He stated that much will depend on whether The Left party will be able to overcome the five percent parliamentary threshold required to enter the parliament. If they do, then the SPD will most likely be too weak to form a coalition with the Greens. (Note: The Greens have been polling between 13 and 14 percent, The Left party at seven percent, and the liberal Free Democratic Party (FDP) at four percent. End Note.) In such a case, Reinert said the CDU would turn to the Greens as coalition partners. Reinert surmised that if The Left are not strong enough to enter the Hessen or Lower Saxon parliaments then they will lose momentum in Hamburg and not receive over five percent. He stated that the CDU will focus on traditional FDP voters since they believe the FDP does not have a chance to overcome the threshold. At the Hamburg Greens 25th anniversary celebration on September 2, the Greens made it very clear that they would prefer to ally themselves with the SPD, but are open to a CDU coalition.

HAMBURG 00000067 002.2 OF 002

LOWER SAXONY: A MAJOR CHALLENGE FOR THE SPD

15. (SBU) SPD Parliamentary Whip Scholz admitted that the SPD will have a very difficult run in Lower Saxony. Current M-P Christian Wulff (CDU) is extremely popular -- 72 percent popularity ratings. SPD candidate Juettner appears to have benefited from the party's national convention. His popularity ratings jumped 16 percent in November to 31 percent. Nevertheless, the SPD in Lower Saxony is only pulling 33 percent in the November polls while the CDU continues to receive 44 percent approval ratings. Currently the Greens are at eight percent and FDP at seven percent. The CDU is expected to continue its coalition with the FDP in January. While the October 23 poll showed for the first time The Left party overcoming the five percent hurdle, in November the leftist party dropped a point to four percent.

16. (U) This cable has been coordinated with Embassy Berlin.
JOHNSON